

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION
Therese A. Scheuer (*admitted pro hac vice*)
100 F. Street, NE
Washington, DC 20549
Phone: (202) 551-6029
Fax: (202) 772-9317

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:

VOYAGER DIGITAL HOLDINGS, INC., *et al.*,¹

Debtors.

**Chapter 11
Case No. 22-10943 (MEW)**

Jointly Administered

Obj. Deadline: January 4, 2023 at 4:00 p.m.
Hearing Date: January 10, 2023 at 2:00 p.m.

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**LIMITED OBJECTION AND RESERVATION OF RIGHTS OF THE U. S.
SECURITIES AND EXCHANGE COMMISSION TO DEBTORS' MOTIONS
(I) AUTHORIZING ENTRY INTO THE BINANCE US PURCHASE
AGREEMENT AND (II) CONDITIONALLY APPROVING
THE ADEQUACY OF THE DEBTORS' DISCLOSURE STATEMENT**

The U.S. Securities and Exchange Commission ("SEC" or "Commission")
files this limited objection and reservation of rights with respect to the Debtors'
*Motion for Entry of an Order (I) Authorizing Entry Into the Binance US Purchase
Agreement and (II) Granting Related Relief* [Docket No. 775] (the "APA Motion")
and *Motion for Entry of an Order (I) Scheduling a Combined Disclosure Statement
Approval and Plan Confirmation Hearing, (II) Conditionally Approving the
Adequacy of the Debtors' Disclosure Statement, (III) Approving (A) Procedures for*

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: Voyager Digital Holdings, Inc. (7687); Voyager Digital Ltd. (7224); and Voyager Digital, LLC (8013). The location of the Debtors' principal place of business is 33 Irving Place, Suite 3060, New York, NY 10003.

Solicitation, (B) Forms of Ballots and Notices, (C) Procedures for Tabulation of Votes, and (D) Procedures for Objections, and (IV) Granting Related Relief[Docket No. 779] (the “Disclosure Statement Motion,” and together with the APA Motion, the “Motions”).²

1. The SEC is the federal agency responsible for regulating the U.S. securities markets, protecting investors, and enforcing the federal securities laws. In that capacity, the SEC is formally investigating whether the Debtors and others violated the anti-fraud and other provisions of the federal securities laws.³

2. The Debtors seek conditional approval of the Disclosure Statement in support of their chapter 11 plan (the “Plan”) as containing adequate information under Section 1125 of the Bankruptcy Code, and approval of an asset purchase agreement (“APA”) with BAM Trading Services Inc. d/b/a Binance.US (“Binance US”), which would be consummated pursuant to the Plan. However, the Disclosure Statement and APA fail to include the following necessary information:

- The ability of Binance US to consummate a transaction of this magnitude, which the Debtors value at \$1.022 billion (APA Motion at 2), including the nature of Binance US’s business operations after the acquisition.
- Sufficient detail regarding how the Debtors intend to secure customer assets, including what if any safeguards will be implemented to protect against theft or loss by both the Debtors, during implementation of the plan process, and Binance US, after its acquisition of assets.
- Sufficient detail regarding the rebalancing of the Debtors’ cryptocurrency portfolio. The Debtors set forth general steps that they would take in the event the sales transaction is not consummated by

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motions.

³ As a statutory party in corporate reorganization proceedings, the Commission “may raise and may appear and be heard on any issue[.]” 11 U.S.C. § 1109(a).

the outside date, including: (i) selling such Cryptocurrency that cannot be distributed to Account Holders, (ii) purchasing Cryptocurrency supported by Voyager's or Purchaser's platform (as provided by the Asset Purchase Agreement) that shall be distributed to Account Holders, and (iii) consummating any other transaction, including the execution of trades of Cryptocurrency, necessary or appropriate to effectuate distributions of the Distributable Cryptocurrency to Holders of Allowed Account Holder Claims (Disclosure Statement at 28). But more detail should be provided regarding the implementation of these steps. In addition, the Disclosure Statement should be revised to make clear that rebalancing will occur not just in a liquidation scenario but also in the context of a sale transaction.⁴

The SEC staff has communicated its concerns to Debtors' counsel, and has been advised that a revised Disclosure Statement will be filed prior to a hearing on the Motions. The SEC reserves the right to amend this objection after the filing of the amended Disclosure Statement, and further reserves the right to object to confirmation of the Plan on these or any other bases.

⁴ The SEC staff is not taking a position on and does not consent to the description of the SEC's investigation included in the Disclosure Statement. (Disclosure Statement at 68).

WHEREFORE, the SEC requests that the Court deny approval of the Motions subject to the Debtors sufficiently addressing the issues raised above and grant such other and further relief that is just and proper.

Dated: Washington, DC
January 4, 2023

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

By: /s/ Therese A. Scheuer
Therese A. Scheuer (*admitted pro hac vice*)
Senior Trial Counsel
100 F. Street, NE
Washington, DC 20549
Phone: (202) 551-6029
Fax: (202) 772-9317
scheuert@sec.gov

Of Counsel: Alistaire Bambach
Morgan Bradylyons

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of January, 2023, a true and correct copy of the foregoing Objection was furnished to all ECF Participants via the CM/ECF system, and further, served by email upon the following:

Debtors' Counsel

Joshua A. Sussberg, P.C.
Christopher Marcus, P.C.
Christine A. Okike, P.C.
Allyson B. Smith
Kirkland & Ellis LLP
601 Lexington Avenue
New York, NY 10022
Tel: (212) 446-4800
Fax: (212) 446-4900
Email: jsussberg@kirkland.com
cmarcus@kirkland.com
christine.okike@kirkland.com
allyson.smith@kirkland.com

Counsel to the Official Committee of Unsecured Creditors

Darren T. Azman
Joseph B. Evans
McDermott Will & Emery LLP
340 Madison Avenue
New York, NY 10173
Tel: (212) 547-5615
Fax: (646) 728-2942
Email: dazman@mwe.com
jbevans@mwe.com

Counsel to BAM Trading Services Inc. d/b/a Binance.US

Adam J. Goldberg
Nacif Taousse
Jonathan J. Weichselbaum
LATHAM & WATKINS LLP
1271 Avenue of the Americas
New York, NY 10020
Tel: (212) 906-1200
Fax: (212) 751-4864
Email: adam.goldberg@lw.com
nacif.taousse@lw.com
jon.weichselbaum@lw.com

Andrew D. Sorkin
LATHAM & WATKINS LLP
555 Eleventh Street, NW, Suite 1000
Washington, D.C. 20004
Tel: (202) 637-2200
Email: andrew.sorkin@lw.com

Office of the U.S. Trustee
Richard C. Morrissey
DOJ-UST
One Bowling Green
Room 534
New York, NY 10004
Tel: 212-510-0500
Email: richard.morrissey@usdoj.gov

/s/ Therese A. Scheuer
Therese A. Scheuer (*admitted pro hac vice*)